

DATE ISSUED: October 21, 2009

ATTENTION: Honorable Chair and Members of the Redevelopment Agency  
Docket of October 27, 2009

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: Additional Funding for the New Downtown Main Library – East  
Village Redevelopment District of the Expansion Sub Area of the  
Centre City Redevelopment Project

COUNCIL DISTRICTS: Districts 2 & 8

STAFF CONTACT: A.J. Magana, Senior Financial Analyst/Accountant, 619-533-7125

**REQUESTED ACTION:** That the Redevelopment Agency (“Agency”) authorizes the use of additional funds in the amount of \$500,000 to complete the project bidding phase for the New Downtown Main Library as per the following:

1. Authorize the Chief Financial Officer to appropriate up to \$500,000 designated New Downtown Main Library through the transfer of \$500,000 from Centre City Redevelopment Project Area to Fund Number 200355.
2. Authorize the Chief Financial Officer to transfer back to the Agency any and all funds remaining in the Capital Improvement Program Budget, WBS No. S-00799 Central Main Library, Fund No. 200355, CCDC’s contribution to the City of San Diego upon any cost savings should actual costs to develop the New Downtown Main Library be less than \$500,000.

**STAFF RECOMMENDATION:** That the Agency approves the requested actions.

**SUMMARY:** The New Downtown Main Library will be located at the intersection of Park Boulevard and J Street. The project construction documents are completed and approved by the Office of the State Library, the Division of the State Architect for American Disability Act compliance, and are approved and permitted by the City of San Diego Development Services Department. On July 7, 2009, the City Council authorized a Letter of Intent with the San Diego Unified School District for lease of the sixth and seventh floors for a charter school. The original deadline of the \$20 million State Library Bond Act of 2000 grant was December 31, 2008. On February 11, 2009, the State Librarian approved a grant extension through July 1, 2009 in order to provide the City with adequate time to negotiate an agreement with San Diego Unified School District for the joint-use project. On July 23, 2009, the State Librarian extended the grant to August 1, 2010 with the provision that by November 15, 2009, all project plans and specifications be updated and the City Council approves the release for bids to the major trades.

Amendments to current agreements are needed to extend the original contract terms and provide consultant and construction manager risk bidding services in order to establish the contractor at risk's guaranteed maximum price. On April 19, 2005, City Council and the Agency authorized the expenditure of \$3,737,202 for a total of \$6,500,000 of Agency tax increment funds. An additional \$500,000 of Agency tax increment funds is being requested at this time to complete the project bidding phase.

FISCAL CONSIDERATIONS: Funds in the amount of \$500,000 are available in the Agency's Fiscal Year 2010 New Downtown Main Library Fund.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION: On September 16, 2009, the Centre City Development Corporation Board voted unanimously to approve the additional funding for the New Downtown Main Library.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: The Centre City Advisory Committee (CCAC) was scheduled to hear this as an information item at its September 9, 2009 meeting. However, the CCAC voted 22-0 to pull the item and have it heard as an Urgent Non-Agenda item. After hearing the item, the CCAC voted 21-0 to support the additional funding of the New Main Library.

BACKGROUND: Large urban library systems, such as in San Diego, consist of branch libraries and a main library that work together to serve numerous functions. The role of branch libraries is to provide popular and convenient services to their surrounding neighborhoods. Since 1980, San Diego's branch libraries have grown and changed substantially. In 1980, the library system had 29 branch libraries with an average size of less than 5,000 square feet, along with several bookmobiles. During the last 29 years, 25 branch library projects were completed and the number of branches grew from 29 to 35, as service was expanded to newly developing communities in the north. Six new libraries have been added and another 19 expansions and replacements have significantly increased the sizes of the old branch libraries. These new and newly expanded branch libraries have averaged more than 15,000 square feet in size, allowing the library system to offer a wider variety of materials, programs and services than in the past.

In 1994, the Corporation and the Agency approved an initial contribution of \$10 million from downtown redevelopment tax increment to assist the funding of a New Downtown Main Library. In 1995, the former Main Library site was acquired by the Agency as part of its overall contribution. Subsequently, the Ballpark project was located in the East Village of the Centre City Project and it was decided that the New Downtown Main Library be located in East Village. In May 2000, the City Council selected the Park-to-Bay site between eleventh and twelfth avenues and J and K streets as the location for the New Downtown Main Library. In October 2000, the City Council approved a contract with architect Rob Wellington Quigley for schematic designs. The design is proceeding for a New Downtown Main Library to serve current and future needs of the more than 1.2 million residents of the city. The site was reaffirmed by the City Council on July 30, 2001. Since the original design and contribution by the Corporation, total

funds in the amount of \$80 million have been committed by the Corporation toward accomplishing this goal of the Centre City Community Plan.

Prior to tax increment being used directly for the construction cost of any publicly-owned buildings other than parking facilities, a public hearing is required by the Agency and City Council, making certain findings.

On July 22, 2002, the Mayor and City Council unanimously approved a library building program that included 24 new or improved libraries (New Downtown Main Library and 23 branch libraries) throughout San Diego. Among these projects was the New Downtown Main Library that would serve as a major civic, cultural, research and recreational center offering a wide variety of services to San Diego residents. As the heart of the San Diego Public Library system, it would also provide support for the entire system, including the 35 branch libraries.

To date, the New Downtown Main Library Phases 1 and 2 are completed. Phase 1, Site Demolition of the Police Garage, was completed on July 28, 2006. Phase 2, Site Remediation, was substantially completed on March 29, 2007. Six of the branch library building program projects are completed: new libraries for Point Loma, College-Rolando, Serra Mesa/Kearny Mesa, and North University Community, and the expansion of the La Jolla/Riford Branch and Otay Mesa-Nestor Branch. Also, currently under construction is a new 25,000-square-foot library for Logan Heights. The remaining projects are in various planning stages. These branch libraries are being developed to meet the unique needs of the communities they serve, based on extensive community participation and input. The ability of the branches to serve their communities depends on the strength and viability of a main library, which serves a unique purpose as the core of the library system.

A main library is where one finds in-depth subject expertise, and where the staff and resources are provided for specific subject areas such as business, science, art, music and literature. Specialists are responsible for developing comprehensive collections for the entire library system. San Diego's main library, currently the Central Library, contains more than 500,000 unique titles, and holds the current and retrospective collections that are too costly to reproduce at each branch library.

The Central Library is the heart, brain and nerve center of the public library system. Built in 1954, it provides the centralized operating system for the 35 diverse branches spread over 331 square miles. More than 500,000 patrons visit the Central Library annually. Over the years, library collections have outgrown available space, and the current building lacks shelving capacity and room for growth. More than half of the collection has to be stored in two basement levels, closed to the public and available only upon request. As a thriving and growing city, San Diego needs a first-class main library for its diverse population.

The need for a New Downtown Main Library has been recognized for a number of years, and various site analyses, hearings and workshops have been conducted to obtain public input. In October 1995, the Mayor and City Council approved development and construction of a new Main Library downtown. Property was acquired at Kettner Boulevard and B Street, although

subsequent opportunities arose and a number of alternative sites were proposed and reviewed. In June 2000, a new site selection was made as the Mayor and City Council reviewed several site alternatives and selected the Park-to-Bay (Park Boulevard and J Street) site as the preferred location for a New Downtown Main Library. In October 2000, the City Council authorized the relocation of the existing police garage from the site and approved a contract with Rob Wellington Quigley, FAIA, for development of a schematic design. Concurrently, library staff began working with consultants on the program for the proposed New Downtown Main Library.

The Park-to-Bay site plan was further developed and presented to the City Council in July 2001, at which time City Council reaffirmed the site selection and directed the City Manager to continue with the project's development. In May 2002, the City Council certified the Mitigated Negative Declaration (LDR No. 41-0980) for the development of the New Downtown Main Library.

#### DISCUSSION:

Project Description: The New Downtown Main Library will be located at the intersection of Park Boulevard and J Street in the East Village neighborhood.

Project Financing: Previously, \$80 million in tax increment funding was appropriated for the New Downtown Main Library; \$16.5 million has been authorized by the Agency for the City to expend toward the project. The City is requesting an additional \$500,000 be authorized to allow the City to amend agreements and complete the project bidding phase.

Participation by the Agency: The Agency has appropriated \$80 million toward the project, and authorized \$16.5 million to be spent.

ENVIRONMENTAL IMPACT: The "Final Master Environmental Impact Report (MEIR) for the Centre City Redevelopment Project Addressing the Centre City Community Plan and Related Documents" were certified by the Agency and the City Council on April 28, 1992 by Resolutions Nos. 2081 and 279875, respectively. The "Final Subsequent Environmental Impact Report (SEIR) to the Final Master Environmental Impact Report (MEIR) Addressing the Centre City Community Plan and Related Documents" for the Proposed Ballpark and Ancillary Development Projects, and Associated Plan Amendments were certified by the Agency (Resolutions Nos. 03058, 03063, and 03066) and City Council (Resolutions Nos. 292363, 292366, and 292371) on October 26, 1999.

On May 28, 2002, the San Diego City Council approved the Main Library Project, certified the original Mitigated Negative Declaration (LDR No. 41-0980) and adopted the Mitigation Monitoring and Reporting Program (Council Resolution R-296576) and the application for round one of the Library Bond Act Grant application process. To satisfy the grant application requirements for round two of the Library Bond Act, the original Mitigated Negative Declaration was submitted to the State Clearing House (SCH) in January 2003 for a required 30-day public review. Prior to the close of the SCH review period, the City Council approved a resolution to submit an application for the Main Library in round two of the Library Bond Act process. A

subsequent Notice of Determination was filed for this action based on the previously approved Mitigated Negative Declaration (Resolution No. R-297614, dated February 3, 2003). Because one letter of comment was received from a state agency during the required SCH review period, an Addendum (LDR No. 41-0980A) was prepared to respond to the comment letter and clarify the environmental process that was followed for round two of the Library Bond Act grant application to date. The Mitigation, Monitoring, and Reporting Program incorporated into the project include provisions related to geology, human health/public safety/hazardous materials, and historical resources (archaeology). Therefore, no further environmental review is necessary.

CONCLUSION: A New Downtown Main Library would not only benefit downtown San Diego, but the entire region, with increased capacity, up-to-date technology and the ability to provide additional services. Staff recommends that the Agency approve the additional funding.

Respectfully submitted,

Concurred by:

  
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Frank J. Alessi  
Executive Vice President & Chief Financial Officer